

**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

AUDIT REPORT  
OF  
COUNTY HEALTH DEPARTMENT  
CLARK COUNTY, INDIANA  
January 1, 2006 to December 31, 2006



**FILED**  
12/14/2007



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#### COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Health Officer	Dr. Kevin Burke	01-01-06 to 12-31-07
Administrator	J. Michael Meyer III	01-01-06 to 12-31-07
President of the County Council	Jim Smith David Abbottt	01-01-06 to 12-31-06 01-01-07 to 12-31-07
President of the Board of County Commissioners	Edward Meyer	01-01-06 to 12-31-07



# STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF CLARK COUNTY

We have audited the records of the County Health Department for the period from January 1, 2006 to December 31, 2006, and certify that the records and accountability for cash and other assets are satisfactory to the best of our knowledge and belief, except as stated in the Audit Results and Comments. The financial transactions of this office are reflected in the Annual Report of Clark County for the year 2006.

STATE BOARD OF ACCOUNTS

November 5, 2007

COUNTY HEALTH DEPARTMENT  
CLARK COUNTY  
AUDIT RESULTS AND COMMENTS

CONDITION OF RECORDS

The County Health Department maintains a separate depository account into which collections for services provided by the Department are deposited. This depository account serves as a clearing account where funds are temporarily held until the collections can be remitted to the County Auditor for inclusion in the County's financial records.

To properly account for the collections received by the County Health Department, a ledger of receipts, disbursements, and balances is to be maintained by the Department. This ledger is to be reconciled monthly with the depository account and to be used to determine amounts to be remitted to the County.

The following deficiencies were identified in the financial records being maintained by the County Health Department:

1. A ledger of receipts, disbursements and balances was not properly maintained. The ledger did not contain a balance.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Counties, Chapter 1)

2. As a result of not maintaining a ledger balance, monthly reconciliations of the depository account balance to the ledger balance were not performed.

Indiana Code 5-13-6-1(e) states in part: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

3. Disbursement transactions were not posted in the ledger.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Counties, Chapter 1)

4. Receipt transactions for May 2006, were incomplete. In May 2006, \$6,590 in collections were not posted in the ledger.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Counties, Chapter 1)

COUNTY HEALTH DEPARTMENT  
CLARK COUNTY  
AUDIT RESULTS AND COMMENTS  
(Continued)

5. As a result of not properly maintaining a ledger of receipts, disbursements and balances and performing monthly bank reconcilements, \$6,590 in collections remained in the County Health Department's depository account instead of being remitted to the County as required.

Indiana Code 16-20-1-27 states: "The fees shall be accounted for and transferred to the health fund of the taxing jurisdiction."

6. Collections received by the County Health Department were not remitted timely to the County Auditor. Collections were remitted from one to two months after the date of collections.

Indiana Code 16-20-1-27 states: "The fees shall be accounted for and transferred to the health fund of the taxing jurisdiction."

#### UNTIMELY DEPOSITS

The County Health Department has various sites at which services are performed and fees are collected. Monies at the various service locations are to be remitted to the Health Department bookkeeper for deposit into the County Health Department clearing depository account. Monies collected at the various service locations were being retained at the locations for one to two weeks before being remitted to the Health Department bookkeeper for deposit.

Failure to deposit collections in a timely manner increases the risk of theft from internal and external sources. A delay in deposit of funds received also increases the risk of failure to collect on fees paid by check. A significant delay in depositing checks received could result in insufficient funds on hand when the checks are presented to the bank for payment.

Indiana Code 5-13-6-1(c) states in part: "all local officers . . . who collect public funds of their respective political subdivisions, shall deposit funds not later than the business day following the receipt of funds on business days of the depository in the depository or depositories selected by the . . . local boards of finance. . . ."

COUNTY HEALTH DEPARTMENT  
CLARK COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on November 5, 2007, with J. Michael Meyer III, Administrator; and Betty J. Shields, Bookkeeper.